

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.<sup>1</sup>

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**AAFAF'S INFORMATIVE MOTION REGARDING AMBAC'S STATEMENTS  
CONCERNING MILLIMAN'S ACTUARIAL REPORTS**

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<sup>1</sup> The Debtors in these Title III cases, along with each Debtor's respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5233-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

To the Honorable United States District Judge Laura Taylor Swain and the Honorable United States Magistrate Judge Judith Gail Dein:

AAFAF<sup>2</sup> submits this informative motion in response to the *Informative Motion of Ambac Assurance Corporation Regarding Statements Concerning Milliman Actuarial Reports*, ECF No. 17061, wherein Ambac asserts that Milliman allegedly represented that the Commonwealth government (the “Government”) is holding back the publication of Milliman’s Fiscal Year 2018 actuarial valuation reports for ERS, TRS, and JRS (“2018 reports”). AAFAF writes to correct the record and make clear that the Government has not been holding back or delaying publication of the 2018 reports, and had already agreed they would be produced once the Government’s auditors finish their review and they are finalized in conjunction with the forthcoming Fiscal Year 2018 financial statements for ERS, TRS, and JRS, which is consistent with historical practices. AAFAF informed Ambac that any claim that the Government was holding up the reports was incorrect.<sup>3</sup> Counsel for Milliman also confirmed to Ambac in writing on June 14, 2021 that neither the Government, nor the Oversight Board, had instructed Milliman to withhold the 2018 reports.<sup>4</sup> Rather, the Government would like the reports to be released as soon as possible and is working diligently with the auditors so they can complete their work in a

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<sup>2</sup> Capitalized terms not defined herein have the meanings ascribed in *AAFAF’s Response to Ambac’s Motion to Compel Third Party Discovery from Milliman, Inc.*, ECF No. 16737.

<sup>3</sup> Letter from Gov. Parties at 3 (Apr. 9, 2021) (ECF No. 16737-5) (“On the April 5 call, you asserted that you heard from another ‘party’ that AAFAF was ‘holding up’ the release of the FY2018 Milliman actuarial reports. When asked from whom you heard this, you refused to state the source. . . . [A]s we said on the call and have now confirmed, AAFAF is not holding up the release of Milliman’s reports. . . . AAFAF and the retirement systems are not delaying [the] process (nor is the Oversight Board); to the contrary, they are facilitating them.”). In the same letter, AAFAF also explained that “[c]onsistent with historical practice, the FY2018 Milliman reports will be finalized after the ERS, JRS, and TRS FY2018 financial statements are finalized.” *Id.*

<sup>4</sup> Email from Milliman, ECF No. 17043-4 (“I never said that anyone ‘instructed’ Milliman to ‘withhold’ the 2018 report from its production. I have also never said that Milliman is ‘holding back documents based on instructions.’”).

timely, but also thorough, manner.<sup>5</sup> In the future, Ambac and its counsel should refrain from the welter of false accusations that led to these unnecessary informative motions.

Respectfully submitted,

/s/ Madhu Pocha

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<sup>5</sup> In response to the Court's June 17, 2021 Order that "[a]bsent the filing of a motion for protective order by Milliman, AAFAF, or the Oversight Board, Milliman must produce the most current version of the 2018 Actuarial Valuation Report in its entirety within fourteen days of the date of this Order," Order at 2, ECF No. 17068, AAFAF will confer with Milliman to determine if there is any need for a motion for a protective order.